



August 14, 2013

Item No. 9

**AUTHORIZATION TO EXECUTE A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR
ABIGAIL APARTMENTS**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute a Housing Assistance Payments Contract ("HAP") for Abigail Apartments; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The purpose of this contract is to create more affordable housing opportunities for families in healthy and revitalizing neighborhoods by providing Property Rental Assistance (PRA) for 8 apartments detailed below.

FUNDING: Housing Choice Voucher Program ("HCV")

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Abigail Apartments	Belmont Cragin; 31 st Ward; Ray Suarez	Chestnut Investments	Working Families	8	23

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Max Contract	Total Max Contract	Application Received
Abigail Apartments	HCV Program	30 Years	HAP Contract	\$94,400/year	\$2,802,240 (30 years)	January, 2013

BACKGROUND

Waiting List / Occupancy Process

It is the intent of the owner/manager of this property to lease all of the units to eligible working families from CHA's waiting lists. CHA will make referrals from its Public Housing and HCV waiting lists as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA list of applicants will be exhausted prior to utilization of a site based waiting list.

Abigail Apartments

Proposed Development

- Renovation of an existing 3-story apartment in Belmont Cragin as Mixed-Income housing.
- Currently 3 units are vacant.
- Developer will acquire property and upgrade units as they become vacant.
- New kitchens, baths, granite countertops, hardwood flooring.
- On-site laundry facilities, bike storage, landscaped courtyard and new back porches.

Developer Background

- PMG/Chestnut Investments private equity firm headquartered in New York.
- Chicago Principal: Noah Gottlieb
- PMG has invested more than \$10 million of capital in over 70 projects in Chicago.
- PMG Chicago is also an approved developer in HED's NSP Program.

Financing

- Privately Financed: \$1,225,000 purchase price
- Upgrades expected to cost approximately \$8,000 per unit.
- Project cash flow will repay debt service.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute a Housing Assistance Payments contract for Abigail Apartments.

The CEO/President recommends the approval to execute a Housing Assistance Payments contract for Abigail Apartments.

RESOLUTION NO. 2013-CHA-67

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 14, 2013 requesting authorization to execute a Housing Assistance Payments contract for Abigail Apartments;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute a Housing Assistance Payments Contract for Abigail Apartments; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.



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